

**PROGRAM NARRATIVE****108 Secretary of State****Date:** 12/23/2014**Time:** 11:36:52**Program:** Secretary of State Operations**Reporting level:** 00-108-100-00-00-00-00000000**Program Performance Measures**

Currently, the agency does not utilize a formal performance measuring management system. However, all of the agency's processes and programs are constantly monitored as to effectiveness, efficiency, customer service, compliance with law, etc. See Agency overview for additional comments.

**Program Statistical Data**History of Revenue and Expenditures for the past seven budget cyclesRevenue

- 1997/1999 \$ 4,912,970
- 1999/2001 \$ 5,953,504 (general \$5,555,610; \* special \$333,036) increased 21.2percent over previous biennium
- 2001/2003 \$ 6,277,698 (general \$5,869,160; \* special \$371,868) increased 5.5percent over previous biennium
- 2003/2005 \$ 6,716,245 (general \$6,289,108, \* special \$401,305) increased 7.0percent over previous biennium
- 2005/2007 \$ 7,289,015 (general \$6,815,185, \* special \$454,445) increased 8.5percent over previous biennium.
- 2007/2009 \$ 7,949,077 (general \$7,432,582, \* special \$516,495) increased 9.1percent over previous biennium.
- 2009/2011 \$ 9,058,760 (general \$8,543,052, \* special \$515,708) increased 14percent over previous biennium.
- 2011/2013 \$12,376,388 (general \$11,774,573, \* special \$601,815) increased 36.6percent over previous biennium.
- 2013/2015 Estimated: \$ 11,701,302(Estimated: general \$11,000,000, \* special \$701,302)

\* The 1999 Legislative Assembly authorized a General Services Operating Fund for the agency's "retail" trade. At the end of the 2005/2007 biennium, the agency transferred \$25,137 to the state's general fund, which was the uncommitted amount over \$75,000.

Expenditures

- 1997/1999 \$ 2,839,345
- 1999/2001 \$ 3,545,065 increased 24.8percent over previous biennium (see note # 1)
- 2001/2003 \$ 3,961,253 increased 11.7percent over previous biennium (see note # 2)
- 2003/2005 \$ 4,146,332 increased 4.7percent over previous biennium
- 2005/2007 \$ 4,536,178 increased 9.4percent over previous biennium (see note # 3)
- 2007/2009 - \$5,666,247 increased 24.9percent over previous biennium (see note #4)
- 2009/2011 - \$6,168,973 increased 8.9percent over previous biennium (see note #5)
- 2011/2013 - \$8,383,125 increased 35.9percent over previous biennium (see note #6)

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Note # 1 Because of a system wide reallocation by ITD of the costs related to the statewide area network connecting the agency and the state's fifty-three counties for the operation of the central indexing system, the budget was increased by \$300,000 from \$75,000 to \$375,000, accounting for 39 percent of the increase. Another \$197,000, or 26 percent of the increase, was for salaries as approved by the legislature, emergency commission, and the budget section. Most of the remaining \$264,000, or 35 percent of the increase was for increased expenses related to services provided by ITD and other technology related expense as approved by the legislature, emergency commission, and the budget section. Almost half of that amount was directly related to the cost of providing the increased demand for agency information as authorized through the agency's general services operating fund, with those expenses being covered by the revenue generated to that account.

Note # 2 ITD again reallocated costs related to the statewide area network resulting in another \$175,000 increase added to the agency's budget.

Note # 3 The expenditures included a one-time amount of \$125,000 for migration of database

Note # 4 - The expenditures included a one-time amount of \$825,000 for migration of database

Note # 5 - The expenditures included a one-time amount of \$702,000 for migration of database (One time funding was \$780,000 total, we requested \$78,000 in carryover to 11-13 Biennium)

Note #6 - The expenditures included one time amounts of \$3,500,000 for migration of database and \$43,039 for online public meeting system. In addition, the one time funding carryover of \$78,000 for migration of database. (We requested \$1,351,035 in carryover to 13-15 for migration of database)

**Demand for Services**

The demand for the agency's services has grown steadily during the period beginning June 30, 1995, and ending June 30, 2012. This is in direct relationship to the net increase in filings and registrations as listed below. (Table 1)

Table 1

|                                 | June 30, 1995 | June 30, 2014 | percent change |
|---------------------------------|---------------|---------------|----------------|
| Contractors                     | 4,701         | 12,009        | +155percent    |
| Charitable Solicitation         | 559           | 3,101         | +455percent    |
| Notary Publics                  | 10,419        | 14,796        | +38percent     |
|                                 |               |               |                |
| ND For-profit corporations      | 10,734        | 13,796        | +29percent     |
| ND Cooperatives                 | 434           | 273           | -37percent     |
| ND Professional corporation     | 552           | 975           | +77percent     |
|                                 |               |               |                |
| Foreign For-profit corporations | 7,307         | 16,672        | +128percent    |

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108 Secretary of State

Date: 12/23/2014

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|  |        |         |               |
|--|--------|---------|---------------|
| Foreign cooperatives                   | 45     | 72      | +60percent    |
|  |        |         |               |
| Limited Liability Companies (all)      | 441    | 27,333  | +6098percent  |
| Limited Liability partnerships (all)   | 13     | 3,341   | +25600percent |
| Limited Partnerships (all)             | 864    | 1,676   | +94percent    |
| Limited Liability Limited Partnerships | 0      | 1124    | +1124percent  |
|  |        |         |               |
| Partnership Fictitious Names           | 1,362  | 2,039   | +50percent    |
| Trademarks                             | 1,286  | 1,488   | +16percent    |
| Trade names                            | 3,565  | 28,620  | +703percent   |
|  |        |         |               |
| ND non-profit corporations             | 0      | 7,672   | +7672percent  |
| Foreign non-profit corporations        | 0      | 2,883   | +2883percent  |
|  |        |         |               |
| Total                                  | 42,282 | 137,426 | +225percent   |

\*Prior to 1997, non-profit corporations were not required to file an annual corporate report. Therefore, the agency is processing an additional 10,555 filings that it did not process seventeen years ago.

The demand for the agency's services during the period beginning June 30, 2013, and ending June 30, 2014 is listed below. (Table 2)

Table 2

|                             | June 30, 2013 | June 30, 2014 | percent change |
|-----------------------------|---------------|---------------|----------------|
| Contractors                 | 11,701        | 12,009        | +3percent      |
| Charitable Solicitation     | 2,903         | 3,101         | +7percent      |
| Notary Publics              | 13,873        | 14,352        | +3percent      |
|                             |               |               |                |
| ND For-profit corporations  | 13,783        | 13,796        | +0percent      |
| ND Cooperatives             | 276           | 273           | -1percent      |
| ND Professional corporation | 983           | 975           | -1percent      |
|                             |               |               |                |

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|  |         |         |            |
|--|---------|---------|------------|
| Foreign For-profit corporations        | 16,483  | 16,672  | +1percent  |
| Foreign cooperatives                   | 72      | 72      | 0percent   |
|  |         |         |            |
| Limited Liability Companies (all)      | 24,286  | 27,333  | +13percent |
| Limited Liability partnerships (all)   | 3,219   | 3,341   | +4percent  |
| Limited Partnerships (all)             | 1,690   | 1,676   | -1percent  |
| Limited Liability Limited Partnerships | 1,017   | 1,124   | +11percent |
|  |         |         |            |
| Partnership Fictitious Names           | 1,945   | 2,039   | +5percent  |
| Trademarks                             | 1,460   | 1,488   | +2percent  |
| Trade names                            | 26,851  | 28,620  | +7percent  |
|  |         |         |            |
| ND non-profit corporations             | 7,589   | 7,672   | +1percent  |
| Foreign non-profit corporations        | 2,737   | 2,883   | +5percent  |
|  |         |         |            |
| Total                                  | 130,868 | 137,426 | +5percent  |

**Explanation of Program Costs**

For the 2013-2015 biennium, the appropriated salary line represented approximately 67 percent of the agency's total general fund spending authority. (This does not include the \$1.35 million of one time funding appropriated for the technology project or election reform appropriation)

The appropriated operating line for 2013-2015 represented approximately 33 percent of the agency's total general fund spending authority. Of that amount, approximately 61 percent of the operating line was budgeted for payments to the state's Information Technology Division (ITD). The remaining 39 percent is spread among other object code categories and supports the general operations of the agency. Those budget object codes include telecommunications, travel, mailing services, professional development, fees and services, repairs and maintenance of equipment, insurance, office supplies, printing, professional supplies and materials, and miscellaneous expenses.

The agency also has a general service fund, which is the retail account for information sold by the agency. Approximately 73 percent of that budget is to cover expenses related to the technology for providing the requested information.

Extensive technology is used by the agency to increase productivity, provide better and faster services for the public, and to maintain many thousands of records associated with approximately 100 diverse and varied categories that relate to the duties of the agency. For example:

1. The agency's budget supports the statewide Central Indexing System (CIS) area network connecting the agency and the state's fifty-three county Recorder offices. The budget supports the maintenance of the database housed on the state's mainframe computer, which database is currently being migrated to a new database. The CIS contains approximately 316,756 active files related to various personal property liens throughout the state.

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2. The agency's budget supports a database of approximately 443,500 records for approximately 100 diverse and varied categories related to the duties of the agency and for associated expenses such as programming, which is only available from a private vendor. For 2015-2017, the agency will request additional one time funding to continue the migration of the agency's databases to a new operating platform.
3. The agency's budget supports an Internet web site and covers associated expenses.

**Program Goals and Objectives**

To be the least complicated and most accessible agency in state government.

# REQUEST DETAIL BY PROGRAM

108 Secretary of State  
Biennium: 2015-2017

Bill#: SB2002

Date: 12/23/2014

Time: 11:36:52

| Program: Secretary of State Operations |                                       | Reporting Level: 00-108-100-00-00-00-00000000 |                             |   |                                  |
|--|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                            | Expenditures<br>2011-2013<br>Biennium | Present<br>Budget<br>2013-2015                | Budget<br>Request<br>Change | Requested Budget<br>2015-2017<br>Biennium | Optional<br>Request<br>2015-2017 |
| <b>Salaries and Wages</b>              |                                       |   |                             |   |                                  |
| Salaries - Permanent                   | 2,314,685                             | 2,545,561                                     | 57,555                      | 2,603,116                                 | 655,200                          |
| Salaries - Other                       | 0                                     | 0   | 0                           | 0   | 9,500                            |
| Temporary Salaries                     | 174,670                               | 88,608  | 24,192                      | 112,800                                   | 0                                |
| Overtime                               | 413,076                               | 339,029                                       | 230,599                     | 569,628                                   | 250,000                          |
| Fringe Benefits                        | 1,037,324                             | 1,290,025                                     | (93,450)                    | 1,196,575                                 | 369,007                          |
| Reduction In Salary Budget             | 0                                     | 0   | (509,354)                   | (509,354)                                 | 0                                |
| <b>Total</b>                           | <b>3,939,755</b>                      | <b>4,263,223</b>                              | <b>(290,458)</b>            | <b>3,972,765</b>                          | <b>1,283,707</b>                 |
| <b>Salaries and Wages</b>              |                                       |   |                             |   |                                  |
| General Fund                           | 3,654,755                             | 4,132,947                                     | (365,458)                   | 3,767,489                                 | 1,283,707                        |
| Federal Funds                          | 0                                     | 0   | 0                           | 0   | 0                                |
| Special Funds                          | 285,000                               | 130,276                                       | 75,000                      | 205,276                                   | 0                                |
| <b>Total</b>                           | <b>3,939,755</b>                      | <b>4,263,223</b>                              | <b>(290,458)</b>            | <b>3,972,765</b>                          | <b>1,283,707</b>                 |
| <b>Accrued Leave Line</b>              |                                       |   |                             |   |                                  |
| Salaries - Permanent                   | 0                                     | 82,831  | (82,831)                    | 0   | 0                                |
| <b>Total</b>                           | <b>0</b>                              | <b>82,831</b>                                 | <b>(82,831)</b>             | <b>0</b>                                  | <b>0</b>                         |
| <b>Accrued Leave Line</b>              |                                       |   |                             |   |                                  |
| General Fund                           | 0                                     | 82,831  | (82,831)                    | 0   | 0                                |
| Federal Funds                          | 0                                     | 0   | 0                           | 0   | 0                                |
| Special Funds                          | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>Total</b>                           | <b>0</b>                              | <b>82,831</b>                                 | <b>(82,831)</b>             | <b>0</b>                                  | <b>0</b>                         |
| <b>Operating Expenses</b>              |                                       |   |                             |   |                                  |
| Travel                                 | 50,910                                | 63,900  | 0                           | 63,900                                    | 0                                |
| Supplies - IT Software                 | 3,609                                 | 7,000   | 0                           | 7,000                                     | 0                                |
| Supply/Material-Professional           | 3,835                                 | 41,265  | 0                           | 41,265                                    | 0                                |
| Miscellaneous Supplies                 | 7,421                                 | 10,000  | 0                           | 10,000                                    | 0                                |
| Office Supplies                        | 64,169                                | 57,500  | 0                           | 57,500                                    | 0                                |
| Postage                                | 217,643                               | 173,000                                       | 0                           | 173,000                                   | 0                                |
| Printing                               | 151,197                               | 137,000                                       | 0                           | 137,000                                   | 0                                |
| IT Equip Under \$5,000                 | 48,167                                | 26,000  | 0                           | 26,000                                    | 0                                |
| Other Equip Under \$5,000              | 0                                     | 2,000   | 0                           | 2,000                                     | 0                                |
| Office Equip & Furn Supplies           | 11,326                                | 47,000  | 0                           | 47,000                                    | 0                                |
| Insurance                              | 3,922                                 | 3,800   | 0                           | 3,800                                     | 0                                |
| Repairs                                | 14,266                                | 21,000  | 0                           | 21,000                                    | 0                                |
| IT - Data Processing                   | 3,521,606                             | 3,190,671                                     | (1,410,676)                 | 1,779,995                                 | 4,000,000                        |

**REQUEST DETAIL BY PROGRAM****108 Secretary of State****Bill#: SB2002****Date:** 12/23/2014**Biennium: 2015-2017****Time:** 11:36:52

| <b>Program: Secretary of State Operations</b> |  | <b>Reporting Level: 00-108-100-00-00-00-00000000</b> |                                      |  |   |
|---|--|--|--------------------------------------|--|---|
| <b>Description</b>                            | <b>Expenditures<br/>2011-2013<br/>Biennium</b> | <b>Present<br/>Budget<br/>2013-2015</b>              | <b>Budget<br/>Request<br/>Change</b> | <b>Requested Budget<br/>2015-2017<br/>Biennium</b> | <b>Optional<br/>Request<br/>2015-2017</b> |
| IT - Communications                           | 78,938   | 81,600   | 0                                    | 81,600   | 0   |
| IT Contractual Svcs and Rprs                  | 0  | 50,000   | 0                                    | 50,000   | 0   |
| Professional Development                      | 16,128   | 20,000   | 0                                    | 20,000   | 0   |
| Operating Fees and Services                   | 102,177  | 122,585  | 0                                    | 122,585  | 0   |
| Fees - Professional Services                  | 47,147   | 39,650   | 0                                    | 39,650   | 0   |
| Other Expenses                                | 200  | 0  | 0                                    | 0  | 0   |
| <b>Total</b>                                  | <b>4,342,661</b>                               | <b>4,093,971</b>                                     | <b>(1,410,676)</b>                   | <b>2,683,295</b>                                   | <b>4,000,000</b>                          |
| <b>Operating Expenses</b>                     |  |  |                                      |  |   |
| General Fund                                  | 4,002,660                                      | 3,443,606  | (1,435,035)                          | 2,008,571  | 4,000,000                                 |
| Federal Funds                                 | 0  | 0  | 0                                    | 0  | 0   |
| Special Funds                                 | 340,001  | 650,365  | 24,359                               | 674,724  | 0   |
| <b>Total</b>                                  | <b>4,342,661</b>                               | <b>4,093,971</b>                                     | <b>(1,410,676)</b>                   | <b>2,683,295</b>                                   | <b>4,000,000</b>                          |
| <b>Capital Assets</b>                         |  |  |                                      |  |   |
| Equipment Over \$5000                         | 0  | 10,000   | (10,000)                             | 0  | 0   |
| <b>Total</b>                                  | <b>0</b>                                       | <b>10,000</b>  | <b>(10,000)</b>                      | <b>0</b>   | <b>0</b>                                  |
| <b>Capital Assets</b>                         |  |  |                                      |  |   |
| General Fund                                  | 0  | 10,000   | (10,000)                             | 0  | 0   |
| Federal Funds                                 | 0  | 0  | 0                                    | 0  | 0   |
| Special Funds                                 | 0  | 0  | 0                                    | 0  | 0   |
| <b>Total</b>                                  | <b>0</b>                                       | <b>10,000</b>  | <b>(10,000)</b>                      | <b>0</b>   | <b>0</b>                                  |
| <b>Petition Review</b>                        |  |  |                                      |  |   |
| Temporary Salaries                            | 1,152  | 0  | 0                                    | 0  | 0   |
| Overtime                                      | 5,726  | 0  | 0                                    | 0  | 0   |
| Fringe Benefits                               | 526  | 0  | 0                                    | 0  | 0   |
| Office Supplies                               | 229  | 0  | 0                                    | 0  | 0   |
| Postage                                       | 8,761  | 5,935  | 0                                    | 5,935  | 0   |
| Printing                                      | 3,025  | 1,000  | 0                                    | 1,000  | 0   |
| IT - Data Processing                          | 350  | 0  | 0                                    | 0  | 0   |
| Fees - Professional Services                  | 2,600  | 1,065  | 0                                    | 1,065  | 0   |
| <b>Total</b>                                  | <b>22,369</b>                                  | <b>8,000</b>   | <b>0</b>                             | <b>8,000</b>                                       | <b>0</b>                                  |
| <b>Petition Review</b>                        |  |  |                                      |  |   |
| General Fund                                  | 22,369   | 8,000  | 0                                    | 8,000  | 0   |
| Federal Funds                                 | 0  | 0  | 0                                    | 0  | 0   |
| Special Funds                                 | 0  | 0  | 0                                    | 0  | 0   |

**REQUEST DETAIL BY PROGRAM**

108 Secretary of State  
Biennium: 2015-2017

Bill#: SB2002

Date: 12/23/2014

Time: 11:36:52

| Program: Secretary of State Operations |                                       | Reporting Level: 00-108-100-00-00-00-00000000 |                             |   |                                  |
|--|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                            | Expenditures<br>2011-2013<br>Biennium | Present<br>Budget<br>2013-2015                | Budget<br>Request<br>Change | Requested Budget<br>2015-2017<br>Biennium | Optional<br>Request<br>2015-2017 |
| <b>Total</b>                           | <b>22,369</b>                         | <b>8,000</b>                                  | <b>0</b>                    | <b>8,000</b>                              | <b>0</b>                         |
| <b>Technology Carryover</b>            |                                       |   |                             |   |                                  |
| IT - Data Processing                   | 78,000                                | 0   | 0                           | 0   | 0                                |
| <b>Total</b>                           | <b>78,000</b>                         | <b>0</b>                                      | <b>0</b>                    | <b>0</b>                                  | <b>0</b>                         |
| <b>Technology Carryover</b>            |                                       |   |                             |   |                                  |
| General Fund                           | 78,000                                | 0   | 0                           | 0   | 0                                |
| Federal Funds                          | 0                                     | 0   | 0                           | 0   | 0                                |
| Special Funds                          | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>Total</b>                           | <b>78,000</b>                         | <b>0</b>                                      | <b>0</b>                    | <b>0</b>                                  | <b>0</b>                         |
| <b>Total Expenditures</b>              | <b>8,382,785</b>                      | <b>8,458,025</b>                              | <b>(1,793,965)</b>          | <b>6,664,060</b>                          | <b>5,283,707</b>                 |
| <b>Funding Sources</b>                 |                                       |   |                             |   |                                  |
| <b>General Fund</b>                    |                                       |   |                             |   |                                  |
| <b>Total</b>                           | <b>7,757,784</b>                      | <b>7,677,384</b>                              | <b>(1,893,324)</b>          | <b>5,784,060</b>                          | <b>5,283,707</b>                 |
| <b>Federal Funds</b>                   |                                       |   |                             |   |                                  |
| 002 Federal Fund Budget                | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>Total</b>                           | <b>0</b>                              | <b>0</b>                                      | <b>0</b>                    | <b>0</b>                                  | <b>0</b>                         |
| <b>Special Funds</b>                   |                                       |   |                             |   |                                  |
| 263 SOS General Services Fund 263      | 625,001                               | 780,641                                       | 99,359                      | 880,000                                   | 0                                |
| <b>Total</b>                           | <b>625,001</b>                        | <b>780,641</b>                                | <b>99,359</b>               | <b>880,000</b>                            | <b>0</b>                         |
| <b>Total Funding Sources</b>           | <b>8,382,785</b>                      | <b>8,458,025</b>                              | <b>(1,793,965)</b>          | <b>6,664,060</b>                          | <b>5,283,707</b>                 |
| <b>FTE Employees</b>                   | <b>27.00</b>                          | <b>30.00</b>                                  | <b>(3.00)</b>               | <b>27.00</b>                              | <b>10.00</b>                     |



**CHANGE PACKAGE DETAIL**

108 Secretary of State

Biennium: 2015-2017

Bill#: SB2002

Date: 12/23/2014

Time: 11:36:52

| Program: Secretary of State Operations |          |     | Reporting Level: 00-108-100-00-00-00-00000000 |               |               |             |
|--|----------|-----|---|---------------|---------------|-------------|
| Description                            | Priority | FTE | General Fund                                  | Federal Funds | Special Funds | Total Funds |

**Base Budget Changes****One Time Budget Changes**

|   |  |             |                    |          |          |                    |
|---|--|-------------|--------------------|----------|----------|--------------------|
| A-E 1 Remove Funding for 3 FTE positions      |  | 0.00        | (283,754)          | 0        | 0        | (283,754)          |
| A-E 3 Remove Multipurpose Copier              |  | 0.00        | (10,000)           | 0        | 0        | (10,000)           |
| A-E 4 Remove Funding for Technology Carryover |  | 0.00        | (1,351,035)        | 0        | 0        | (1,351,035)        |
| A-E 5 Remove IT Hosting Charges               |  | 0.00        | (84,000)           | 0        | 0        | (84,000)           |
| A-E 6 Remove Overtime Funding                 |  | 0.00        | (225,600)          | 0        | 0        | (225,600)          |
| <b>Total One Time Budget Changes</b>          |  | <b>0.00</b> | <b>(1,954,389)</b> | <b>0</b> | <b>0</b> | <b>(1,954,389)</b> |

**Ongoing Budget Changes**

|   |  |               |                    |          |               |                    |
|---|--|---------------|--------------------|----------|---------------|--------------------|
| A-A 8 Base Budget changes to special fund |  | 0.00          | 0                  | 0        | 99,359        | 99,359             |
| Base Payroll Change                       |  | (3.00)        | 61,065             | 0        | 0             | 61,065             |
| <b>Total Ongoing Budget Changes</b>       |  | <b>(3.00)</b> | <b>61,065</b>      | <b>0</b> | <b>99,359</b> | <b>160,424</b>     |
| <b>Total Base Budget Changes</b>          |  | <b>(3.00)</b> | <b>(1,893,324)</b> | <b>0</b> | <b>99,359</b> | <b>(1,793,965)</b> |

**Optional Budget Changes****One Time Optional Changes**

|  |   |             |                  |          |          |                  |
|--|---|-------------|------------------|----------|----------|------------------|
| A-D 11 Secretary of State Technology Project | 1 | 0.00        | 4,000,000        | 0        | 0        | 4,000,000        |
| A-D 9 Leave Payouts                          | 3 | 0.00        | 9,500            | 0        | 0        | 9,500            |
| <b>Total One Time Optional Changes</b>       |   | <b>0.00</b> | <b>4,009,500</b> | <b>0</b> | <b>0</b> | <b>4,009,500</b> |

**Ongoing Optional Changes**

|   |   |              |                  |          |          |                  |
|---|---|--------------|------------------|----------|----------|------------------|
| A-C 2 Add Funding for 3 FTE Positions         | 1 | 3.00         | 310,451          | 0        | 0        | 310,451          |
| A-C 12 Add Funding for 6 Additional FTEs      | 2 | 6.00         | 574,777          | 0        | 0        | 574,777          |
| A-C 13 Add funding for 1 FTE - Office Trainer | 3 | 1.00         | 138,979          | 0        | 0        | 138,979          |
| A-C 14 Overtime Funding                       | 4 | 0.00         | 250,000          | 0        | 0        | 250,000          |
| <b>Total Ongoing Optional Changes</b>         |   | <b>10.00</b> | <b>1,274,207</b> | <b>0</b> | <b>0</b> | <b>1,274,207</b> |
| <b>Total Optional Budget Changes</b>          |   | <b>10.00</b> | <b>5,283,707</b> | <b>0</b> | <b>0</b> | <b>5,283,707</b> |

**PROGRAM NARRATIVE****108 Secretary of State****Date:** 12/23/2014**Time:** 11:36:52**Program:** Public Printing Leg Law Books**Reporting level:** 00-108-200-00-00-00-00-00000000**Program Performance Measures**

Not applicable.

**Program Statistical Data**

The agency distributes the publications to elected officials, legislators, legislative council, state agencies, county agencies, judicial system, and libraries as prescribed by law.

**Explanation of Program Costs**

Under state law, the agency is responsible for the distribution of publications known as “public printing” that includes the North Dakota Century Code, the North Dakota Administrative Rules, Session Law Books, etc.

Although the appropriation to cover the cost of publishing and distribution is included in the agency’s budget, it is based on a recommendation dated June 2, 2014, from the Legislative Council, which has the legal responsibility for preparing, supervising, contracting, and communicating with the various publishers and vendors regarding these publications.

The major portion of the appropriation is directly related to the cost of printing the North Dakota Century Code, Session Laws, and the North Dakota Administrative Code.

The remaining portion of the appropriation is used by the agency to cover costs related to programming database records, shipping, mailing, supplies, etc.

**PROGRAM NARRATIVE****108 Secretary of State****Date:** 12/23/2014**Time:** 11:36:52**Program:** Public Printing Leg Law Books**Reporting level:** 00-108-200-00-00-00-00-00000000**Program Goals and Objectives**

To provide effective and efficient services to state agencies and others as it relates to the distribution of publications funded by the public printing appropriation.

**REQUEST DETAIL BY PROGRAM**

108 Secretary of State

Biennium: 2015-2017

Bill#: SB2002

Date: 12/23/2014

Time: 11:36:52

**Program:** Public Printing Leg Law Books**Reporting Level:** 00-108-200-00-00-00-00000000

| Description                  | Expenditures<br>2011-2013<br>Biennium | Present<br>Budget<br>2013-2015 | Budget<br>Request<br>Change | Requested Budget<br>2015-2017<br>Biennium | Optional<br>Request<br>2015-2017 |
|------------------------------|---------------------------------------|--------------------------------|-----------------------------|---|----------------------------------|
| <b>Public Printing</b>       |                                       |                                |                             |   |                                  |
| Supply/Material-Professional | 249,469                               | 125,089                        | 0                           | 125,089                                   | 0                                |
| Office Supplies              | 0                                     | 90                             | 0                           | 90  | 0                                |
| Postage                      | 933                                   | 1,145                          | 0                           | 1,145                                     | 0                                |
| Printing                     | 4,168                                 | 5,120                          | 0                           | 5,120                                     | 0                                |
| Other Equip Under \$5,000    | 0                                     | 160,805                        | 0                           | 160,805                                   | 0                                |
| <b>Total</b>                 | <b>254,570</b>                        | <b>292,249</b>                 | <b>0</b>                    | <b>292,249</b>                            | <b>0</b>                         |
| <b>Public Printing</b>       |                                       |                                |                             |   |                                  |
| General Fund                 | 261,500                               | 320,500                        | 0                           | 320,500                                   | 0                                |
| Federal Funds                | 0                                     | 0                              | 0                           | 0   | 0                                |
| Special Funds                | 0                                     | 0                              | 0                           | 0   | 0                                |
| <b>Total</b>                 | <b>254,570</b>                        | <b>292,249</b>                 | <b>0</b>                    | <b>292,249</b>                            | <b>0</b>                         |
| <b>Total Expenditures</b>    | <b>261,500</b>                        | <b>320,500</b>                 | <b>0</b>                    | <b>320,500</b>                            | <b>0</b>                         |
| <b>Funding Sources</b>       |                                       |                                |                             |   |                                  |
| <b>General Fund</b>          |                                       |                                |                             |   |                                  |
| <b>Total</b>                 | <b>261,500</b>                        | <b>320,500</b>                 | <b>0</b>                    | <b>320,500</b>                            | <b>0</b>                         |
| <b>Total Funding Sources</b> | <b>261,500</b>                        | <b>320,500</b>                 | <b>0</b>                    | <b>320,500</b>                            | <b>0</b>                         |

**CHANGE PACKAGE DETAIL**

108 Secretary of State

Bill#: SB2002

Date: 12/23/2014

Biennium: 2015-2017

Time: 11:36:52

| Program: Public Printing Leg Law Books |          |     |              | Reporting Level: 00-108-200-00-00-00-00000000 |               |             |  |
|--|----------|-----|--------------|---|---------------|-------------|--|
| Description                            | Priority | FTE | General Fund | Federal Funds                                 | Special Funds | Total Funds |  |

**Base Budget Changes****Ongoing Budget Changes****Total Ongoing Budget Changes****Total Base Budget Changes**

|      |   |   |   |   |
|------|---|---|---|---|
| 0.00 | 0 | 0 | 0 | 0 |
| 0.00 | 0 | 0 | 0 | 0 |

**PROGRAM NARRATIVE****108 Secretary of State****Date:** 12/23/2014**Time:** 11:36:52**Program:** Federal Election Reform**Reporting level:** 00-108-300-00-00-00-00-00000000**Program Performance Measures**

The agency does not have a formal performance measuring management system. Nevertheless, all of the agency's processes and programs are constantly monitored as to effectiveness, efficiency, customer service, compliance with law, etc. In addition, HAVA prescribes the participation of citizens to develop and maintain a state plan for HAVA implementation and oversight.

**Program Statistical Data**

Since the adoption of HAVA, the state has received the following amounts of funding.

In 2003, it received \$5,000,000, which did not require a state match.

In 2004, it received \$4,150,000, which required a 5 percent state match. According to the State Plan, 1/2 share of the 5percent was provided by the state and the other 1/2 share was provided by each one of the state's 53 counties in proportion to the voting equipment supplied to them. The state's share was appropriated in Section 2 of Senate Bill 2002 as adopted by the 2003 Legislative Assembly and signed by the Governor. Each of the counties receiving voting equipment paid their 1/2 share as committed allocated in their respective budgets. The state's share of \$105,000 was provided from the projected agency's turn back to the general fund at the end of the 2001/2003 biennium.

For the fiscal year 2004, Congress appropriated an additional \$7,446,803, which required a 5 percent state match of \$391,937. As part of the match, the federal Election Assistance Commission recognized the agency's investment in its Election Management System as an in-kind contribution in the amount of \$257,970. The balance for the match was contributed by the Counties in the amount of \$57,867 and the legislature appropriated \$76,100.

In 2008, Congress appropriated an additional amount in the Omnibus Appropriations Act for Fiscal Year 2008, which resulted in North Dakota becoming eligible for an additional \$575,000 for the HAVA election fund. In order to secure it, the state was required to provide a 5 percent match. This was achieved when the Emergency Commission on March 14, 2008 authorized the amount of \$30,263 from state's contingency fund to be used for this purpose.

In 2009, North Dakota became eligible for an additional \$500,000 for the HAVA election fund. In order to secure it, the state was required to provide a 5percent match. The 5 percent match of \$26,316 was appropriated by the Legislative Assembly in the House Bill 1002.

In 2010, appropriated an additional amount in the Omnibus Appropriations Act for Fiscal Year 2010, which resulted in North Dakota becoming eligible for an additional \$350,000 for the HAVA election fund. In order to secure it, the state was required to provide a 5percent match. This was achieved when the Emergency Commission on March 4, 2010 authorized the amount of \$18,421 from state contingency fund to be used for this purpose.

In 2011, North Dakota was appropriated an additional amount in the 2011 Requirements Payments under Section 251 of the Help America Vote Act, which resulted in North Dakota receiving an additional \$6,454 for the HAVA election fund. In order to secure it, the state was required to provide a 5 percent match. This was achieved using current appropriation in the State's election fund in the amount of \$340.

**PROGRAM NARRATIVE****108 Secretary of State****Date:** 12/23/2014**Time:** 11:36:52**Program:** Federal Election Reform**Reporting level:** 00-108-300-00-00-00-00-00000000

During the 15-17 biennium the remaining funds in the state's election fund will be used to:

- 1) Fund the authorized FTE who is the manager of the Election Administration System
- 2) Fund the agreement with NDACo for two individuals to serve as the statewide HAVA coordinator and Central Voter File coordinator
- 3) Implement and maintain a new Central Voter File
- 4) Fund general activities to ensure the state meets the requirements of Title III

It is estimated the state's election fund will be depleted during the 15-17 biennium.

**Explanation of Program Costs**

Implement and maintain the provisions of the federal Help America Vote Act of 2002 also known as HAVA.

**Program Goals and Objectives**

To successfully implement and maintain the provisions of HAVA throughout the state in cooperation with county election officials, which includes the continued maintenance of voting equipment secured in 2004 and 2005 and to provide for continuing voter education for the public and training for election workers.

**REQUEST DETAIL BY PROGRAM**

108 Secretary of State

Bill#: SB2002

Date: 12/23/2014

Biennium: 2015-2017

Time: 11:36:52

| Program: Federal Election Reform        |                                       | Reporting Level: 00-108-300-00-00-00-00000000 |                             |   |                                  |
|---|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                             | Expenditures<br>2011-2013<br>Biennium | Present<br>Budget<br>2013-2015                | Budget<br>Request<br>Change | Requested Budget<br>2015-2017<br>Biennium | Optional<br>Request<br>2015-2017 |
| <b>Election Reform</b>                  |                                       |   |                             |   |                                  |
| Salaries - Permanent                    | 51,505                                | 97,000  | (5,800)                     | 91,200                                    | 0                                |
| Overtime                                | 1,271                                 | 2,500   | (2,500)                     | 0   | 0                                |
| Fringe Benefits                         | 23,228                                | 45,275  | (3,119)                     | 42,156                                    | 0                                |
| Travel                                  | 10,866                                | 22,012  | 0                           | 22,012                                    | 0                                |
| Office Supplies                         | 293                                   | 151   | 0                           | 151                                       | 0                                |
| Office Equip & Furn Supplies            | 714                                   | 1,399   | 0                           | 1,399                                     | 0                                |
| Rentals/Leases - Bldg/Land              | 738                                   | 1,550   | 0                           | 1,550                                     | 0                                |
| IT - Data Processing                    | 265,598                               | 500,400                                       | 0                           | 500,400                                   | 0                                |
| IT - Communications                     | 1,327                                 | 2,500   | 0                           | 2,500                                     | 0                                |
| IT Contractual Svcs and Rprs            | 31,526                                | 3,825,500                                     | (2,441,868)                 | 1,383,632                                 | 0                                |
| Professional Development                | 494                                   | 0   | 0                           | 0   | 0                                |
| Operating Fees and Services             | 1,879                                 | 3,545   | (3,545)                     | 0   | 0                                |
| Fees - Professional Services            | 353,884                               | 641,283                                       | 8,717                       | 650,000                                   | 0                                |
| Grants, Benefits & Claims               | 1,520,412                             | 0   | 0                           | 0   | 0                                |
| <b>Total</b>                            | <b>2,263,735</b>                      | <b>5,143,115</b>                              | <b>(2,448,115)</b>          | <b>2,695,000</b>                          | <b>0</b>                         |
| <b>Election Reform</b>                  |                                       |   |                             |   |                                  |
| General Fund                            | 340                                   | 0   | 0                           | 0   | 0                                |
| Federal Funds                           | 1,904,917                             | 4,619,508                                     | (3,119,508)                 | 1,500,000                                 | 0                                |
| Special Funds                           | 358,478                               | 523,607                                       | 671,393                     | 1,195,000                                 | 0                                |
| <b>Total</b>                            | <b>2,263,735</b>                      | <b>5,143,115</b>                              | <b>(2,448,115)</b>          | <b>2,695,000</b>                          | <b>0</b>                         |
| <b>Total Expenditures</b>               | <b>2,263,735</b>                      | <b>5,143,115</b>                              | <b>(2,448,115)</b>          | <b>2,695,000</b>                          | <b>0</b>                         |
| <b>Funding Sources</b>                  |                                       |   |                             |   |                                  |
| <b>General Fund</b>                     |                                       |   |                             |   |                                  |
| <b>Total</b>                            | <b>340</b>                            | <b>0</b>                                      | <b>0</b>                    | <b>0</b>                                  | <b>0</b>                         |
| <b>Federal Funds</b>                    |                                       |   |                             |   |                                  |
| G189 Title II Fed Election Funds        | 1,564,703                             | 4,619,508                                     | (3,119,508)                 | 1,500,000                                 | 0                                |
| G190 HHS-HAVA                           | 6,392                                 | 0   | 0                           | 0   | 0                                |
| G211 Title II HAVA Fund - Post 1-1-07   | 333,822                               | 0   | 0                           | 0   | 0                                |
| <b>Total</b>                            | <b>1,904,917</b>                      | <b>4,619,508</b>                              | <b>(3,119,508)</b>          | <b>1,500,000</b>                          | <b>0</b>                         |
| <b>Special Funds</b>                    |                                       |   |                             |   |                                  |
| 283 HAVA Election Ref.Matching Fund 283 | 358,478                               | 523,607                                       | 671,393                     | 1,195,000                                 | 0                                |



**REQUEST DETAIL BY PROGRAM**

108 Secretary of State

Biennium: 2015-2017

Bill#: SB2002

Date: 12/23/2014

Time: 11:36:52

| Program: Federal Election Reform |                                       | Reporting Level: 00-108-300-00-00-00-00000000 |                             |   |                                  |
|----------------------------------|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                      | Expenditures<br>2011-2013<br>Biennium | Present<br>Budget<br>2013-2015                | Budget<br>Request<br>Change | Requested Budget<br>2015-2017<br>Biennium | Optional<br>Request<br>2015-2017 |
| Total                            | 358,478                               | 523,607                                       | 671,393                     | 1,195,000                                 | 0                                |
| Total Funding Sources            | 2,263,735                             | 5,143,115                                     | (2,448,115)                 | 2,695,000                                 | 0                                |
| FTE Employees                    | 1.00                                  | 1.00  | 0.00                        | 1.00                                      | 0.00                             |

**CHANGE PACKAGE DETAIL**

108 Secretary of State

Bill#: SB2002

Date: 12/23/2014

Time: 11:36:52

Biennium: 2015-2017

| Program: Federal Election Reform |          |     | Reporting Level: 00-108-300-00-00-00-00000000 |               |               |             |
|----------------------------------|----------|-----|---|---------------|---------------|-------------|
| Description                      | Priority | FTE | General Fund                                  | Federal Funds | Special Funds | Total Funds |

**Base Budget Changes****Ongoing Budget Changes**

|  |  |             |          |                    |                |                    |
|--|--|-------------|----------|--------------------|----------------|--------------------|
| A-A 7 Adjustments to align budget request with remaini |  | 0.00        | 0        | (3,108,089)        | 671,393        | (2,436,696)        |
| Base Payroll Change                                    |  | 0.00        | 0        | (11,419)           | 0              | (11,419)           |
| <b>Total Ongoing Budget Changes</b>                    |  | <b>0.00</b> | <b>0</b> | <b>(3,119,508)</b> | <b>671,393</b> | <b>(2,448,115)</b> |
| <b>Total Base Budget Changes</b>                       |  | <b>0.00</b> | <b>0</b> | <b>(3,119,508)</b> | <b>671,393</b> | <b>(2,448,115)</b> |